

Diesel and Alternative Fuels Tax

The Special Fuels Tax Act was repealed by the ninety-third Legislature with the passage of LB 1160 and was replaced with the Diesel Fuel Tax Act and the Alternative Fuel Tax Act. This legislation became effective on July 1, 1994.

Diesel fuel includes all combustible liquids suitable for use in diesel-powered motor vehicles. It does not include kerosene. Undyed diesel fuel is subject to tax when it is imported into the state. A taxable import occurs when: (1) the fuel is withdrawn from a Nebraska pipeline terminal facility; or (2) the fuel is imported into Nebraska via truck or rail. Diesel fuel stored at a Nebraska pipeline terminal facility is not subject to the tax.

Undyed diesel fuel is taxed in the same manner as gasoline, upon receipt of the fuel as opposed to on the sale of the fuel.

Alternative fuel is defined as propane, compressed natural gas, liquefied petroleum gas, electricity, and any other source of energy used to power a motor vehicle, except motor vehicle fuels and diesel fuel.

Table 20 – Diesel Net Taxable Gallons and Net Tax Due

Month	2006 Taxable Gallons	2005 Taxable Gallons	Percent Increase or (Decrease)	2006 Tax Due	2005 Tax Due	Percent Increase or (Decrease)
January	29,999,234	28,045,702	6.97%	\$7,777,851	\$7,075,016	9.93%
February	28,841,107	26,461,144	8.99	7,477,176	6,674,736	12.02
March	33,966,046	34,004,851	-0.11	8,808,945	8,580,975	2.66
April	33,684,413	32,426,053	3.88	8,733,768	8,181,554	6.75
May	35,224,621	34,100,237	3.30	9,134,189	8,604,418	6.16
June	36,128,165	34,004,046	6.25	9,370,139	8,581,308	9.19
July	32,240,874	33,241,380	-3.01	8,680,232	8,354,075	3.90
August	33,567,710	35,888,549	-6.47	9,037,733	9,020,158	0.19
September	34,595,774	35,651,756	-2.96	9,316,857	8,962,291	3.96
October	37,644,198	35,814,019	5.11	10,136,354	9,001,150	12.61
November	34,342,320	33,372,900	2.90	9,246,101	8,387,639	10.23
December	30,978,090	31,833,408	-2.69	8,341,860	8,240,179	1.23
Total	401,212,552	394,844,045	1.61%	\$106,061,205	\$99,663,499	6.42%

Aircraft Fuels Tax

Aircraft fuels tax is imposed upon the importing, producing, refining, manufacturing, compounding, or blending of aircraft fuels in Nebraska for use, distribution, sale or delivery in this state. Aircraft fuels include aircraft gasoline, jet fuel, or any other fuel used exclusively for propelling aircraft.

The tax rate for aviation gasoline is 5¢ per gallon and the tax rate for aviation jet fuel is 3¢ per gallon. Revenue from the aircraft fuels tax is credited to the Department of Aeronautics Cash Fund.

Table 21 – Aircraft Net Taxable Gallons and Net Tax Due

Month	2006 Taxable Gallons	2005 Taxable Gallons	Percent Increase or (Decrease)	2006 Tax Due	2005 Tax Due	Percent Increase or (Decrease)
January	4,246,023	4,005,131	6.01%	\$125,340	\$117,968	6.25%
February	3,955,825	3,882,879	1.88	116,850	114,565	1.99
March	4,346,662	4,430,578	-1.89	128,677	132,387	-2.80
April	3,989,108	4,188,514	-4.76	118,646	124,007	-4.32
May	4,325,317	4,625,888	-6.50	128,399	138,836	-7.52
June	4,631,532	4,824,277	-4.00	138,305	144,668	-4.40
July	4,587,155	5,011,194	-8.46	139,945	150,774	-7.18
August	4,758,898	5,079,150	-6.31	143,188	152,082	-5.85
September	4,070,280	4,635,674	-12.20	120,840	137,835	-12.33
October	4,468,377	4,308,787	3.70	133,155	127,761	4.22
November	3,752,983	3,964,561	-5.34	110,397	117,516	-6.06
December	3,886,024	4,159,775	-6.58	115,056	122,644	-6.19
Total	51,018,184	53,116,408	-3.95%	\$1,518,798	\$1,581,043	-3.94%